

SUMMARY OF EMERGENCY REGULATIONS

SHARED-USE FACILITIES FOR CANNABIS MANUFACTURING



The California Department of Public Health (CDPH), through its Manufactured Cannabis Safety Branch, regulates all commercial cannabis manufacturing in California. CDPH strives to protect public health by ensuring commercial cannabis manufacturers operate safe, sanitary workplaces and produce products that are free of contaminants, meet product guidelines and are properly packaged and labeled.

In March 2018, CDPH released emergency regulations that would allow cannabis manufacturers to utilize shared-use facilities.

Key Components of Emergency Regulations for Shared-Use Manufacturing Facilities

Shared-Use Facilities

A shared-use facility is a manufacturing premises in which businesses take turns utilizing the space and equipment. This allows for operations similar to a commercial kitchen or agreements in which larger manufacturers offer space and use of equipment to smaller manufacturers.

Licensees

The **Primary Licensee** is the owner or operator of the shared-use facility. Cannabis manufacturers that work within the shared-use facility are **Type S Licensees**. Type S licensees may conduct the following cannabis manufacturing activities:

- Infusions
- Packaging and labeling
- Extractions with butter or food grade-oils (*Note: the extract or concentrate produced can only be used in the Type S licensee's infused products)

Application Process

The Primary Licensee must first obtain a Type 7, 6 or N cannabis manufacturing license and register their space as a Shared-Use Facility. After the facility registration is approved, cannabis manufacturers wishing to utilize the space will apply for a Type S license.

Shared-use facility registration and Type S applications will be available on the CDPH website, www.cdph.ca.gov/mcsb/apply, once the emergency regulations are approved by the Office of Administrative Law. No licensee may operate within a shared-used facility without prior approval from CDPH.

Temporary and Annual Licenses

Temporary manufacturing license facility registrations and applications will be available online and can be submitted by mail or email. Once issued, temporary licenses are valid for 120 days and may be extended for additional 90-day period if the business has submitted a complete annual license application.

Annual manufacturing license facility registrations and applications for a Type S license will be accepted through an online licensing system. This application will require information on the business, owners and financial interest holders, premises, and procedures. In addition, applicants must provide a copy of the use agreement, a diagram of the shared-use space, and occupancy schedule.

When registering the shared-use facility, the Primary Licensee must provide a copy of the local license, permit or other authorization, which allows for operation of a shared-use facility.

Facility and Operational Requirements

The shared-use facility must meet all requirements outlined in the cannabis manufacturing regulations, and include secured storage for the Type S licensee's cannabis and cannabis products.

The Primary licensee will assign a designated area to be used as shared space. An occupancy schedule, outlining the days and/or times that the space will be used by Type S licensees, must be posted. Only one licensee can utilize the space at a time.

FAQs about Shared-Use Facilities for Cannabis Manufacturing

How do I register my manufacturing facility as a shared-use facility?

The owner or operator of the shared-use facility (“Primary Licensee”) must be licensed as a Type 7, 6 or N cannabis manufacturer. During the application process or after the license is received, the facility may be registered as a shared-use facility. Once the emergency regulations are approved by the Office of Administrative Law, shared-use facility registration forms will be available on the CDPH website: www.cdph.ca.gov/mcsb/apply.

How do I obtain a Type S license to produce products in a shared-use manufacturing facility?

After the shared-use facility registration is approved, cannabis manufacturers wishing to utilize the space may apply for a Type S license on the CDPH website: www.cdph.ca.gov/mcsb/apply.

Does the shared-use manufacturing facility have to be approved prior to the Type S applicant receiving a license?

Yes. The primary licensee must register the shared-use facility with the California Department of Public Health, and the registration must be approved before a cannabis manufacturer may submit their Type S license application.

What are the application and license fees for a Type S license?

There is no application or license fee for temporary licenses. For annual licenses, an application fee of \$500 must be paid when the application is submitted, and a license fee is paid when the application is approved. The license fee is limited to Tier I or Tier II fees and begins at \$2,000 for gross annual revenue up to \$100,000.

Is there a limit on the number of Type S licensees that can be hosted by a Primary Licensee?

There is no limit to the number of Type S licensees that can operate within a registered shared-use manufacturing facility. However, only one licensee can utilize the shared space at a time. An occupancy schedule listing the dates, days and times each Type S licensee will utilize the space must be submitted with the license application, and any changes to the occupancy schedule must be approved before they are implemented.

Are there limitations on the type of activity you can do within a shared-use manufacturing facility?

Type S licensees can perform any infusion or packaging and labeling cannabis manufacturing operation, but may only conduct extractions using butter or food-grade oils. The extracted oils or concentrate can only be used in the Type S licensee’s own infused products and may not be sold. In addition, only one licensee can utilize the shared space at a time.

Which licensee is responsible for the condition of the shared-use manufacturing facility?

The primary licensee is responsible for ensuring the shared-use facility meets the conditions for cannabis manufacturing operations outlined in state law and the cannabis manufacturing regulations. This includes providing proper security, waste management and contamination controls and providing secured storage for Type S licensees to hold their cannabis and cannabis product.

The Type S licensee is responsible for ensuring that products manufactured within the facility are free of contaminants, including by properly sanitizing the work environment and adhering to the requirements for manufactured cannabis products.